

ATTACHMENT  
A  
Form 8-66 163a

ACQUISITION OF LEASED SPACE

PROBLEM

Although the Agency has, under the provision of its enabling legislation, authority to lease real property, precedence has limited Agency acquisition to "operational" requirements. Thus, the Agency must rely on the General Services Administration (GSA) to satisfy its needs for administrative property. Unfortunately, most of the Agency's requirements are for relatively small offices which, although falling within the "administrative" definition, have operational and security characteristics which dictate location, type of space, and time frame. GSA has proven to be uniformly unable to respond in a timely manner to these requirements. GSA appears to be both overworked and understaffed. This problem is exacerbated by an internal bureaucracy which requires many levels of both vertical and lateral approval before a lease may be signed. In addition, GSA has become the executive agency responsible for a myriad of socioeconomic programs designed to revitalize urban areas, employ minorities, aid the handicapped, conserve energy, improve the environment, balance the budget, reduce the size of the Federal work force, etc. While worthwhile, the total impact of these programs is to grind the leasing process to a virtual halt. Although impact through these programs is achieved on large scale programs, unfortunately, the constraints are applied across the board and affect an 800-square-foot acquisition as well as the construction of a federal complex.

RECOMMENDATION

The 5,000 square foot restriction on the recent GSA delegation for leasing should be removed and future leasing should only require coordination with GSA and adherence to the Federal Property Management Regulations. The 5,000 square foot delegation has proven to be quite workable. By virtue of its overseas and other operational responsibilities, this Agency has a professional cadre of engineers and realty officers. These personnel are competent to design and lease office space. Use of the delegation has cut leasing delays from literally years to weeks.

## SUPPLY AND PROCUREMENT

### PROBLEM

The implementary policies and controls of the GSA to establish and operate an efficient procurement management program for the Federal Government create unacceptable security risks to the ongoing operations of this Agency. The mandatory use of Federal Supply Schedule (FSS) contracts, the necessity to obtain waivers to obtain similar items, maximum order dollar limitations, the need to obtain authorization to purchase identical items when available from a non-schedule source at a lower price--all may require disclosures of information that may be classified. Also, the procedures inherently cause delays and inefficiencies in the execution of this Agency's operations.

### RECOMMENDATION

The Federal Property and Administrative Services Act, 41 USC 481, authorizes the Administrator to prescribe procurement policies and procedures when he determines that they are "advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned." The Act, Section 474, also provides for a specific exemption from its provisions when such are deemed to be causing an impairment in the authority of a designated agency. The Agency should be exempt from the Act. The Agency will continue to use FSS contracts where national security allows. However, FSS contracts should be an optional source of supply such that alternatives may be used when the FSS contracts impair this Agency's ability to conduct its program activities in a timely and secure manner.

STANDARD LEVEL USER CHARGE (SLUC)

Custodial

PROBLEM

Through an exchange of correspondence in 1959 between the DCI and the Administrator of GSA, it was agreed that GSA would perform services incident to the operation, maintenance, protection, and housekeeping of the CIA Headquarters Building. Although GSA was invited to provide housekeeping and related services, time has institutionalized the arrangement and GSA now considers the Headquarters Building as a public building and, therefore, under GSA control. Support provided by GSA to this Agency under the SLUC arrangement has never measured up to Agency expectations, particularly in the custodial area, although this has, no doubt, been due in part to the thankless nature of the services provided. However, over the past several years, the quality of these services has deteriorated primarily due to the lowering of custodial standards by GSA.

RECOMMENDATION

Although it is acknowledged that no alternative appears demonstratively superior to a competent GSA, it is clear that GSA is deficient in areas important to this Agency's operational integrity. This Agency should be able to obtain services for which Agency funds are budgeted and/or which appear in the SLUC account. The Agency, therefore, should have the authority to contract directly to obtain an acceptable level of service. Concomitant with the above action, the GSA and the CIA should enter into detailed discussion and analysis of the services provided by the GSA under SLUC. The product of this discussion and analysis would be the clear identification and definition of specific services accomplished under the SLUC arrangements and consistent with the recommendations of the Report to the Administrator of the GSA, dated 31 December 1980, prepared by the National Academy of Public Administration, to further delegate to the CIA authority and appropriate funding for certain of those services financed under SLUC that can best be performed by CIA in those buildings occupied by CIA.

REIMBURSABLE WORK

Improvements, Alterations, and Construction

PROBLEM

Services outside of those provided by SLUC are requested through GSA Work Authorization Form 2957. Although "detailed estimates" are requested, only overall figures for labor and material are given. Wide variations in material quantities, oversights, duplication between shops, and other discrepancies are possible and likely, with no verification possible. Costs significantly higher than Agency estimates, little control over GSA work schedules, and quality of work often cause reimbursable services to be unresponsive. Further, when construction is involved, GSA is not responsive. Most construction is preceded by a feasibility study, then construction drawings, and then specifications (design), and finally, after contract award, physical construction. This assumes that the Architect and Engineer selection process (which usually takes eight months), Congressional prospectus process if the project is of significant size (which may take from two to five years), and the budget process are all satisfied. Given the GSA staffing and competition for those limited resources from other agencies, only the highest priority projects get attention, and important projects continually slide further behind. Limited resources available to the Agency are consumed in trying to prod GSA into action. Since the Agency is a captive customer and must deal with GSA without the benefit of competition, it ultimately faces a "take it or leave it" bargaining situation.

RECOMMENDATION

It must be clearly established that this Agency has the responsibility and authority to accomplish necessary repairs, improvements, alterations, and new construction through its own resources, and that work may be accomplished through direct Agency contract or through reimbursement to GSA; the decision to be made at this Agency's discretion.

STANDARD LEVEL USER CHARGE (SLUC)

Building Operation and Maintenance

PROBLEM

GSA supposedly provides a habitable environment for a normal 40-hour workweek under the provisions of the Public Buildings Standard Level User Charge (SLUC) process. It is usually necessary for an agency to provide additional funds for any service falling outside of the narrowly defined standard services. As our Agency has responsibilities that require 24-hours-per-day, 365-days-per-year support, the requirement for additional services is great. Utilities must be continuously available to computers and communications equipment. Backup equipment must be provided, maintained, and operated to preclude either scheduled or unforeseen events from interrupting critical functions. GSA is either unwilling or unable to provide the 24-hour level of reliable service required. Even though reimbursed to provide the necessary resources, GSA allows emergency equipment to become and remain inoperative, preferring to trust that the primary equipment stays on line. Important equipment may remain inoperative for years, such as the #3 1500-ton chiller in the power plant, the Dunham Bush 500-ton chiller in the Headquarters Building, and the central control air compressors in the Headquarters Building. After years of "recruiting" the diesel technicians and electricians, the multimillion dollar emergency power system is still not staffed to have the necessary personnel available for 24-hour coverage at the minimum level.

RECOMMENDATION

Although it is acknowledged that no alternative appears demonstratively superior to a competent GSA, it is clear that GSA is deficient in areas vital to this Agency's operational integrity. This Agency must be able to obtain those vital services for which Agency funds are budgeted and/or which appear in the SLUC account. The Agency, therefore, must have the authority to contract directly to obtain an acceptable level of service. Concomitant with the above action, the GSA and the CIA should enter into detailed discussion and analysis of the services provided by the GSA under SLUC. The product of this discussion and analysis would be the clear identification and definition of specific services accomplished under the SLUC arrangements and consistent with the recommendations of the Report to the Administrator of the GSA, dated 31 December 1980, prepared by the National Academy of Public Administration, to further delegate to the CIA authority and appropriate funding for certain of those services financed under SLUC that can best be performed by CIA in those buildings occupied by CIA.

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